

Industrial Needs for Water Transportation and Inland Water Transportation Policy

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Policy perspectives to accommodate demonstrated industrial needs for water transportation are elusive and require definitions of policy, inland waterways, and the relationship of policy to the decision-making process. Policy choices always represent compromises and are closely related to national resource factors and current public attitudes. The eight policy questions discussed are designed to be national in outlook, economically equitable, and neutral in geographic impact.

There will be no attempt in this brief paper to develop the factual or statistical case for the need of industry for inland water transportation in the United States. In view of the extent of published material on the subject, we shall merely take judicial notice of the volumes of waterborne cargoes of materials such as farm produce, construction materials, steel, chemicals, coal, and oil, and further of the demonstrated dependence of major industries on inland water transportation for economical, dependable, low-cost distribution and supply. A more difficult problem is involved in the closely related matter of perspectives on national inland water transportation policy, for it requires that we carefully define both the terms inland waterways and policy.

By inland waterways, we mean all of the commercially navigable rivers, lakes, and canals including the Great Lakes, and the waters used for intercoastal shipping including international straits and passages related to U.S. territorial waters and the infrastructure of ports, terminals, marinas, locks, and dams.

Policy, as used in the remarks that follow, is defined as a prescribed course of action, selected from among alternatives, with which to guide decisions to achieve stated objectives. Put more simply, it is a pre-selected answer to a recurring question. Policy takes its place in the order of the decision-making process in the sequence from goal to policy to program. To achieve certain goals (or objectives), certain policies are selected; these, in turn, dictate choices of programs that may be prescribed action or deliberate inaction.

Policy may be carefully delineated as in the familiar published policy statements of business and professional associations, but it may also be the unwritten precepts to be inferred from a consistent course of action over a long period of time by an individual, organization, or institution, which is known as *de facto* policy. For ex-

ample, in September 1975 the federal government's first written statement of a national transportation policy was developed. This action was mandated by the 1967 act that created the U.S. Department of Transportation. The 53-page statement reflects a number of previously unwritten policies, as well as some new policy directions.

Policy has an important time element. Being rooted in experience, it has one foot in the past, but if it is properly drawn, it is valid for the future. The important aspect is that policies must necessarily undergo revision over time as conditions change. For example, our vast land and mineral resource base, a generally benign attitude toward commerce, resource use patterns based on public expectations of near-limitless availability, and an ample supply of domestic capital have been basic to adoption of many national policies. All of these are being questioned, and we are now seeing massive revisions in business and public attitudes to accompany changed conditions.

The foregoing should explain the selection of the policy items that will now be considered. One must appreciate that policy statements are necessarily compromises. The ones that follow are no exception to this rule.

The present and potential industrial needs for water transportation suggest the following policy considerations, which are designed to be national in outlook, economically equitable, and neutral in geographic impact.

1. The primary responsibility for the conduct of commercial inland water transportation should be that of private enterprise. This policy statement is so fundamental that it is apt to be overlooked as self-evident. The free enterprise concept is basic to the production, distribution, and marketing of the nation's goods and services, and its proper functioning is critical to our continued progress and concept of the general welfare. The present privately operated inland waterway transportation system represents a beneficial use of a public resource for wide public benefit.

2. The federal regulatory role should include those things, but only those things, necessary to permit a low-cost, convenient, and competitive business climate operating under conditions of safety and efficiency. Article I, section 8, of the U.S. Constitution specifically provides

for federal regulation in such basic matters as interstate commerce, a system of weights and measures, and the value of our money. A rational extrapolation of the federal role is that of guaranteeing diverse benefits and safeguards. Proper regulation is in the nature of marking the field, prescribing the rules, and refereeing the play. The extension of regulation to interfere with the result of the game, to choose one unit over another, or otherwise interfere with the self-adjustment typical of the free market system, is undesirable.

3. Necessary and desirable research and development should receive federal support, but that on purely operational matters should be carried out by private enterprise. The federal role should be focused on basic studies of potentially wide public benefit that are beyond the capacity of private industry or beyond normal business planning periods. Federal research programs are appropriate for development of new modes and facilities and the resulting local and regional impacts. For example, the problems and opportunities associated with the interface of inland water transportation with coal slurry pipelines, transport of liquefied natural gas, deep-sea ports, natural resource conservation, and expanding operations in the hostile Arctic environment are areas calling for careful study of the separate roles of federal and private research and development efforts.

4. The policy of multiple use of the inland waterways should be retained. Industrial use is but one of the appropriate uses. Recreation and fisheries are important other uses and have a potentially large supporting constituency.

5. Environmental protection of the waterways is fundamental to their continued use. In recent years there has been a growing public demand for environmental protection of air and water quality as well as land use. Industrial use of public inland waterways must be conducted in a way consistent with these public expectations. However, there must also be increased attention to the importance of making land available for both the expansion of existing terminal facilities and building new facilities to accommodate the projected growth in demand for inland water transport. Misadministration of air and water protection laws and regulations could result in using these measures in an unintended manner, viz., to control land use, and such practices could jeopardize the use of inland waterways for their special advantages of cost and energy efficiency.

6. The critical problem of energy shortages demands the maximum use of water transportation, which is inherently energy-efficient. Approximately one-sixth of our freight is carried on inland waterways. This type of transport is at least twice as energy-efficient as the nearest competing mode, and in view of our predicted energy problems, this advantage is self-evident.

7. Federal and state entities should attempt to eliminate legal impediments concerning ownership and control of inland waterways. There should be prompt efforts to resolve conflicting interstate, state versus federal, and international claims related to inland waterway boundaries. The common boundary with Canada illustrates this point, and the future administration of the Coastal Zone Management Act suggests another potentially troublesome area. Likewise, any new law of the sea receiving international ratification will raise new problems of this kind. Commerce is aided by certainty; therefore the elimination of state, federal, and international jurisdictional uncertainties should be actively pursued.

8. The question of the imposition of user charges requires objective analysis to ensure future development, operation, and maintenance of the waterways and guaranteed participation in any new federal system

of transportation funding. This is a highly complex and emotional issue made all the more so by the long history of free use and the absence of clear cost versus benefit criteria. The free-use policy was clearly appropriate in the early development of our inland waterways and may be so today, but it is being challenged at the federal level for reasons of present-day competitive equity, geographic neutrality, and fiscal burden. It is unrealistic to ignore the issue. Future U.S. capital requirements for transportation are projected to be of such magnitude as to represent a threat to the continued development and operating efficiency of the waterways. If all present transportation user charges were combined into a single national transportation trust fund, there is a risk that inland waterways would be denied proper support because of the competition among the various modes—airways, highways, urban mass transportation, and waterways—for collected user charges.

Public policy in this area is undergoing change, and a careful and objective analysis of this entire question is timely.

CONCLUSION

The eight policy items discussed are not the only ones but rather those most identifiable. Other considerations could be added and different emphases could be expressed. Continual debate will aid in constructive consideration of these complex questions.

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